

## Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
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R 131131Z JUL 78  
FM AMEMBASSY MADRID  
TO SECSTATE WASHDC 5306  
INFO AMCONSUL HONG KONG  
AMEMBASSY TAIPEI  
AMEMBASSY TOKYO  
USLO PEKING

S E C R E T SECTION 01 OF 03 MADRID 07935

EXDIS

E.O. 11652: XGDS-1  
TAGS: PEPR, CH, SP  
SUBJECT: TENG HSIAO-PING'S JUNE 17 RESUME TO KING JUAN  
CARLOS OF CHINESE VIEW OF INTERNATIONAL SITUATION

REF: MADRID 7840

1. SUMMARY: DURING THE CONVERSATION, TENG STRESSED THE IMPORTANCE OF THE CHANGE IN THE SOVIET SOCIAL SYSTEM AND CONTRASTED THE DECLINE OF US INFLUENCE IN THE WORLD WITH SOVIET EXPANSION, WHICH FIRST IMPINGES ON CHINA. THE USSR HAS TAKEN ADVANTAGE OF NUCLEAR ARMS NEGOTIATIONS TO EXPAND EVEN FASTER, AND HAS ALSO TREMENDOUSLY INCREASED ITS CONVENTIONAL ARMS. WHILE THE DANGER OF ANOTHER WAR COMES FROM THE TWO SUPERPOWERS, SAID TENG, THE USSR IS THE GREATER DANGER. ANOTHER WORLD WAR IS FINALLY INEVITABLE, HE CONTINUED, BUT CAN BE POSTPONED THROUGH ADEQUATE PREPARATION, EFFORTS TO UPSET SOVIET STRATEGIC PLANS, AND REFRAINING FROM APPEASEMENT. THE WEST SHOULD ALSO REFRAIN FROM HELPING THE SOVIETS STRENGTHEN THEIR INDUSTRY AND AGRICULTURE. EUROPE IS THE KEY POINT FOR  
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SOVIET STRATEGY, WHICH AIMS AT CONTROLLING EUROPE THROUGH CONTROLLING ITS SUPPLY OF STRATEGIC RESOURCES, TENG SAID. THE US AND EUROPE SHOULD COOPERATE, AND JAPAN SHOULD ATTACH GREATEST IMPORTANCE TO TIGHTENING ITS RELATIONS WITH THE US. THIS IS THE SECOND OF FOUR TELEGRAMS SUMMARIZING CLASSIFIED MEMORANDA PROVIDED TO THE CHARGE AT THE KING'S DIRECTION. END SUMMARY.

2. TENG HSIAO-PING SAID THAT CHINA AND SPAIN HAVE MANY IDEAS IN COMMON REGARDING THE INTERNATIONAL SITUATION. THE CHINESE GENERAL VIEW IS THAT THE MOST IMPORTANT OF THE MANY NEW PROBLEMS SINCE WORLD WAR II IS THE CHANGE IN THE "NATURE OF THE SOCIAL SYSTEM" OF THE USSR, BEGINNING WITH KHRUSHCHEV'S RISE TO POWER. IN THE 20-PLUS YEARS SINCE THEN, THE SOVIET UNION HAS CHANGED FROM THE FIRST SOCIALIST COUNTRY TO A SOCIAL-IMPERIALIST COUNTRY CARRYING OUT A WORLD-WIDE POLICY OF EXPANSIONISM.

3. THE ONE-TIME HEGEMONY OF THE US MET RESISTANCE FROM VARIOUS PEOPLES OF THE WORLD, WITH MANY COUNTRIES ACHIEVING INDEPENDENCE. THE US WAS FURTHER WEAKENED BY LOSING WARS THAT IT STARTED IN KOREA, INDOCHINA, AND ELSEWHERE. THE OTHER DEVELOPED WESTERN COUNTRIES HAVE ACHIEVED RAPID ECONOMIC GROWTH, THUS EMERGING FROM UNDER US CONTROL. WITH THE RISE TO POWER OF KHRUSHCHEV, THE SOVIET UNION BEGAN TO HARBOR EXCESSIVE AMBITIONS TO TAKE ADVANTAGE OF US WEAKNESS.

4. CHINA, TENG CONTINUED, WAS THE FIRST TO RECOGNIZE THE RADICAL CHANGE IN THE USSR BECAUSE IT KNEW IT THE BEST. OTHERS THAT ALSO HAD CLOSE RELATIONS WITH THE USSR, SUCH AS EGYPT, SOMALIA, AND INDIA, ALSO UNDERSTOOD. IN PURSUIT OF WORLD HEGEMONY AND WORLD-WIDE EXPANSIONISM,  
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THE USSR FIRST "PUT ITS HANDS" ON CHINA. FOLLOWING CHINESE RESISTANCE TO A SOVIET ATTEMPT IN 1958, THROUGH THE "SO-CALLED JOINT SINO-SOVIET FLEET", TO CONTROL THE CHINESE NAVY, KHRUSHCHEV INSTIGATED INDIA INTO PROVOKING WAR WITH CHINA. ADENAUER'S MEMOIRS, QUOTING KHRUSHCHEV IN 1955 AS INVEIGHING AGAINST THE "YELLOW PERIL", SHOWED THAT KHRUSHCHEV SAW SOCIALIST CHINA AS SOONER OR LATER THE MAJOR OBSTACLE TO HIS CZARIST POLICY OF EXPANSIONISM AND WORLD HEGEMONY.

5. WE BELIEVE THE WESTERN VIEW THAT BREZHNEV IS MORE MODERATE THAN KHRUSHCHEV IS ERRONEOUS, TENG SAID. KHRUSHCHEV PROVOKED THE CUBAN CRISIS, BUT BREZHNEV, AND NOT KHRUSHCHEV, STATIONED AND THEN INCREASED SOVIET TROOPS ON THE CHINESE BORDER, STEPPED UP THE ARMS RACE, SENT HIS ARMY INTO CZECHOSLOVAKIA, PROVOKED A SERIES OF WILL BE ANY IMPROVEMENT IN THE SOVIET UNION AFTER BREZHNEV, SAID TENG, NO MATTER WHO TAKES POWER, AS LONG AS THERE IS NO CHANGE IN THE SOCIAL REGIME.

6. THUS SINCE WW II, TENG CONTINUED, US HEGEMONY HAS GIVEN WAY TO STRUGGLE FOR HEGEMONY BETWEEN THE TWO

SUPERPOWERS, INCREASING THE DANGER OF A THIRD WORLD WAR WHICH THE CHINESE BELIEVE WILL BREAK OUT SOONER OR LATER. THE SUPERPOWERS FEAR EACH OTHER AND THEREFORE CONTINUE THE ARMS RACE. THE SOVIET UNION IS WINNING THIS RACE AND TENG SAID HE HAS ALWAYS POINTED THIS OUT IN HIS "MANY CONTACTS" WITH AMERICANS. THE SOVIET UNION IS TAKING ADVANTAGE OF US EFFORTS TO NEGOTIATE NUCLEAR ARMS AGREEMENTS TO EXPAND ITS MILITARY STRENGTH EVEN FASTER. AT THE TIME OF THE FIRST ARMS AGREEMENT (PRE-SUMABLY THE NON-PROLIFERATION TREATY), WHICH WAS MORE OR LESS FRANKLY DIRECTED AGAINST CHINA, THE US WAS MUCH MORE ADVANCED THAN THE SOVIET UNION. BUT MOSCOW HAS CAUGHT UP, A FACT RECOGNIZED BY THE TIME OF THE THIRD AGREEMENT (VLADIVOSTOK), SAID TENG. NOW A FOURTH AGREE-  
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MENT IS TO BE SIGNED, AND THE RESULT WILL BE THE SAME,  
THAT IS, THE TWO WILL CONTINUE THEIR RACE.

7. THE USSR HAS ALSO EXPANDED TREMENDOUSLY ITS CON-  
VENTIONAL ARMS, TENG CONTINUED, NOT ONLY AIRCRAFT AND  
TANKS BUT SHIPS, AND NOW HAS A BIGGER NAVY THAN THE US.

THE SOVIET UNION'S RELATIVELY GREATER MILITARY BUDGET IS FURTHER PROOF OF SOVIET EXPANSIONISM. TENG SAID IT SHOULD BE RECALLED THAT THE NEXT WAR MAY NOT BE A NUCLEAR WAR. ONLY THE US AND THE USSR ARE CAPABLE OF LAUNCHING A WORLD WAR, BUT THE US IS ON THE DEFENSIVE AFTER ITS REVERSES IN KOREA, INDOCHINA, AND ELSEWHERE, WHILE THE SOVIET UNION IS ADOPTING AN OFFENSIVE ATTITUDE. THE CHINESE ALWAYS SAY THAT THE DANGER OF ANOTHER WAR COMES FROM THESE SUPERPOWERS, BUT HAVE CONCLUDED THAT THE SOVIET UNION, WITH ITS EXPANDING STRATEGIC BASE, IS THE GREATER DANGER, TENG SAID.

8. WHILE ANOTHER WORLD WAR IS INEVITABLE, TENG WENT ON, THE CHINESE BELIEVE IT IS POSSIBLE TO POSTPONE ITS OUT-BREAK, AND, FOR THE CHINESE, POSTPONEMENT THROUGH THE END  
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OF THIS CENTURY WOULD BE IDEAL. THE CHINESE DO NOT WANT WAR, BUT WHO KNOWS WHEN ATTACK WILL COME? POSTPONEMENT MAY BE SOUGHT FROM THREE ANGLES:

-- PREPARE ADEQUATELY FOR AN EVENTUAL WAR. CHINA IS DOING SO, AND EUROPE SHOULD TOO, AS WELL AS THE LATIN AMERICANS AND THE AFRICANS AND ASIANS.

-- ALL SHOULD MAKE AN EFFORT TO UPSET THE WORLD STRATEGIC PLANS OF THE USSR, WORKING TO FRUSTRATE SOVIET EFFORTS TO OBTAIN STRATEGIC ADVANTAGES IN ANY PART. THIS EXPLAINS THE CHINESE ATTITUDE REGARDING THE MIDDLE EAST, THE HORN, ANGOLA, AND ZAIRE.

-- LEARN FROM HISTORY AND REFRAIN FROM A POLICY OF APPEASEMENT.

9. IN SEEKING TO LAUNCH A NEW WORLD WAR, TENG CONTINUED, THE SOVIET UNION HAS ALREADY SUFFERED REVERSES IN EGYPT AND SOMALIA, BUT IS CONTINUING ITS EFFORTS, SO IT IS IMPORTANT TO UPSET ITS STRATEGIC PLANS. HELPING ZAIRE WAS A GOOD IDEA. AVOIDING APPEASEMENT HAS AN ECONOMIC AS WELL AS POLITICAL DIMENSION, FOR THE SOVIET UNION HAS TWO WEAK POINTS, AGRICULTURAL INSUFFICIENCY AND INDUSTRIAL BACKWARDNESS. THE WEST SHOULD NOT HELP THE SOVIET UNION TO STRENGTHEN THESE DEFICIENCIES.

10. THE KEY POINT FOR SOVIET STRATEGY IS EUROPE, TENG SAID, INCLUDING THE MIDDLE EAST, NORTH AFRICA, AND THE MEDITERRANEAN. THOSE WHO THOUGHT THE CHINESE WERE SOUNDING A FALSE ALARM REGARDING THE SOVIET-CHINESE BORDER ARE COMING TO UNDERSTAND THE SOVIET TACTIC OF, AS MAO SAID, "THREATENING IN THE EAST TO BE ABLE TO

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ATTACK IN THE WEST". MOST SOVIET MILITARY FORCES AIM AT THE WEST, BECAUSE TO ACHIEVE ITS WORLD STRATEGIC GOAL THE SOVIET UNION MUST FIRST CONTROL EUROPE. "IF THE SOVIET UNION MANAGES TO CONTROL EUROPE, IT WILL BE EASY FOR IT TO CONTROL THE WORLD...WHEN THEY CONTROL NORTH AFRICA AND THE MIDDLE EAST THEY WILL HAVE ASSUREDLY IN THEIR HANDS THE SUPPLY OF STRATEGIC RESOURCES AND WILL BE ABLE TO BLOCK THE SUPPLY OF EUROPE."

11. "OUR WHOLE FOREIGN POLICY STEMS FROM THIS GENERAL ANALYSIS OF THE OVERALL WORLD SITUATION," TENG CONTINUED. THUS THE CHINESE UNDERSCORE THE IMPORTANCE OF A POWERFUL, UNITED AND STRONG EUROPE, AND TELL THE AMERICANS EUROPE NEEDS US PROTECTION AND THE US NEEDS EUROPEAN PROTECTION. THERE IS NOW A PROBLEM OF EUROPEAN CONFIDENCE IN THE US DISPOSITION TO FIGHT A WAR IN DEFENSE OF EUROPE. THUS THE CHINESE APPRECIATE THE SPANISH POLICY OF CALLING FOR EUROPEAN UNITY AND THE TIGHTENING OF RELATIONS WITH THE US. ALSO FOR REASONS OF WORLD STRATEGY, "WE ALWAYS TELL THE AMERICANS THAT CHINESE-AMERICAN RELATIONS ARE NOT MERELY DIPLOMATIC QUESTIONS; WE MUST RESOLVE THE PROBLEM OF CHINESE-AMERICAN NORMALIZATION FROM THE POLITICAL POINT OF VIEW. STEMMING FROM THE SAME STRATEGIC CONSIDERATION WE TELL THE JAPANESE THAT YES, RELATIONS BETWEEN CHINA AND JAPAN SHOULD BE IMPROVED, BUT THAT JAPAN SHOULD GIVE THE GREATEST IMPORTANCE TO TIGHTENING ITS RELATIONS WITH THE US."

12. CHINA HAS GOOD RELATIONS WITH MANY COUNTRIES BECAUSE ITS ONLY WISH IS TO INCREASE ITS FRIENDSHIP WITH FOREIGN COUNTRIES, TENG WENT ON. THE CHINESE ARE TRYING TO IMPROVE RELATIONS WITH INDIA. VIETNAM RECENTLY HAS BEEN A PROBLEM, WITH THE SOVIET BLOCKADE EFFORT AND MOSCOW'S DESIRE FOR MILITARY BASES THERE AND TO MAKE VIETNAM THE CUBA OF THE EAST BEING AT THE ROOT OF THE DIFFICULTIES. THE GREAT AMOUNT OF AID CHINA USED TO GIVE

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VIETNAM CAN NOW BE USED ON ITS OWN DEVELOPMENT PROJECTS. TENG ENDED HIS PRESENTATION BY EXPRESSING CONFIDENCE IN THE GROWTH OF FUTURE CHINESE-SPANISH RELATIONS.

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13. WHEN ASKED BY THE KING ABOUT THE RECENT COUP IN AFGHANISTAN, TENG SAID IT "WAS SOLELY AND EXCLUSIVELY FORGED BY THE SOVIET UNION". THE CZARS ALSO DREAMED OF ENTERING SOUTH ASIA THROUGH AFGHANISTAN, SAID TENG, AND INDIA'S AND PAKISTAN'S FEARS OF THIS POSSIBILITY ARE WELL FOUNDED. WE SHOULD FOLLOW EVENTS THERE CLOSELY, SAID TENG, SINCE AFGHANISTAN HAS ITS PROBLEMS AND THE SOVIET UNION COULD SUFFER ANOTHER REVERSE THERE AS IT DID IN SOMALIA AND EGYPT. EATON

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